

Department of Justice

U.S. Attorney's Office

Southern District of Georgia

FOR IMMEDIATE RELEASE

Thursday, June 28, 2018

National Health Care Fraud Takedown Results In Charges Across The Country And In Southern District Of Georgia

Local Takedown is Largest in Southern District of Georgia's History

SAVANNAH, GA: Attorney General Jeff Sessions and Department of Health and Human Services ("HHS") Secretary Alex M. Azar III, announced today the largest ever health care fraud enforcement action involving 601 charged defendants across 58 federal districts, including 165 doctors, nurses and other licensed medical professionals, for their alleged participation in health care fraud schemes involving more than \$2 billion in false billings. Of those charged, 162 defendants, including 76 doctors, were charged for their roles in prescribing and distributing opioids and other dangerous narcotics. Thirty state Medicaid Fraud Control Units also participated in today's arrests. In addition, HHS announced today that from July 2017 to the present, it has excluded 2,700 individuals from participation in Medicare, Medicaid, and all other Federal health care programs, which includes 587 providers excluded for conduct related to opioid diversion and abuse. In the past fiscal year, the Department of Justice, including the Civil Division, has collectively won or negotiated over \$2 billion in judgments and settlements related to matters alleging health care fraud.

Today's enforcement actions were led and coordinated by the Criminal Division, Fraud Section's Health Care Fraud Unit in conjunction with its Medicare Fraud Strike Force (MFSF) partners, a partnership between the Criminal Division, U.S. Attorney's Offices, the FBI and HHS-OIG. In addition, the operation includes the participation of the DEA, DCIS, IRS-CI, Department of Labor, other various federal law enforcement agencies, and State Medicaid Fraud Control Units.

The charges announced today aggressively target schemes billing Medicare, Medicaid, TRICARE (a health insurance program for members and veterans of the armed forces and their families), and private insurance companies for medically unnecessary prescription drugs and compounded medications that often were never even purchased and/or distributed to beneficiaries. The charges also involve individuals contributing to the opioid epidemic, with a particular focus on medical professionals involved in the unlawful distribution of opioids and other prescription narcotics, a particular focus for the Department. According to the CDC, approximately 115 Americans die every day of an opioid-related overdose.

As part of this national enforcement action, the United States Attorney for the Southern District of Georgia announced the district's largest takedown in history, including following public enforcement actions:

- A federal grand jury in Savannah indicted **Dr. Frank H. Bynes, Jr** on thirty-nine counts of unlawful distribution of controlled substances, including opioids, and nine counts of health care fraud. The indictment alleges that Bynes knowingly and intentionally distributed and dispensed, and caused to be distributed and dispensed, controlled substances that were not prescribed for a legitimate medical purpose and were not distributed and dispensed in the usual course of professional practice in a number of ways, including by prescribing inappropriate combinations of

opioids and other controlled substances and engaging in unprofessional conduct with female patients. The indictment also alleges that health care programs paid for a number of substances improperly prescribed by Bynes during his “pill mill” operation.

- In Savannah, the United States charged **Roderic Bain** by criminal information with one count of making false statements relating to federal health care matters. According to the information, Bain fraudulently schemed from 2008 to 2018 to claim at least \$1.5 million in reimbursements from Medicare for durable medical equipment that a physician never actually ordered.
- In Augusta, the United States charged **Jonathan Austin** by criminal information with one count of health care fraud and one count of making a false statement for use in determining Social Security Administration disability benefits. Austin allegedly created false and fraudulent documentation from 2015 to 2017 to make it appear as if he had been prescribed certain medications by a physician and as if he had filled and paid for those prescriptions at several local pharmacies. Austin claimed and received over \$1.4 million in reimbursements from Tricare and Medicare for the purchase of these medications. However, as Austin knew, the prescriptions were never filled, and he had not incurred any of the claimed expenses. Additionally, the information alleges that Austin also submitted false documentation to the Social Security Administration in support of his application for disability insurance benefits.
- In Statesboro, the United States charged **Evelyn Gay** by criminal information with two counts of theft from a program receiving federal funds. According to the information, Gay fraudulently obtained and misapplied over \$79,000 belonging to the Georgia Legal Services Program and Aging & Disability Advocacy Group, Inc., both of which receive federal funds through grant programs offered by the United States Department of Health and Human Services.
- In Statesboro, the United States charged **Christopher Dubois** by criminal information with one count of making false statements relating to federal health care matters. Allegedly, Dubois created false prescriptions in 2013 in connection with claims submitted to the Federal Employee Health Benefits Plan.
- In Brunswick, the United States charged **Paula Padgett** by criminal information with one count of false statement for use in determining a federal health care benefit. From 2013 to 2017, Padgett allegedly prepared and submitted certain “Medical Travel Refund Request” forms to the Office of Worker’s Compensation Programs under the Federal Employees’ Compensation Act when Padgett knew that certain expenses claimed on the forms had not been incurred.
- In Savannah, the United States charged **Kristian Hall** by criminal information with one count of identity theft. Hall allegedly used the name and Drug Enforcement Agency Registration Number of another individual without lawful authority to obtain controlled substances.

- Recently in Augusta, **Dr. John Glenn** pled guilty to conspiring to falsify documents pertaining to Department of Transportation mandated medical examinations of holders of commercial driver's licenses in exchange for cash.
- Earlier this month in Augusta, a federal jury convicted Eastman resident **Dr. Mark Griffis** following a three-day trial of conspiring to falsify documents pertaining to Department of Transportation mandated medical examinations of holders of commercial driver's licenses.
- The United States and the State of Georgia reached a \$739,711.15 civil settlement with **Antioch Medical Associates**, which does business as Antioch Foot & Ankle Group, based out of Savannah, Georgia. Based on its investigation, the United States and State of Georgia contended that Antioch Medical Associates improperly billed Medicare and Medicaid for nail debridement, evaluation, management, and therapy services for which Antioch was not entitled to reimbursement.
- The United States also reached either civil settlements or consent judgments with **Austin, Gay, Dubois, and Padgett**.
- In Brunswick, the United States and the State of Georgia filed a civil lawsuit against **Miracle Home Care, Inc., Miracle Adult Day Care, Inc., Miracle Transportation, Shashicka Tyre-Hill, and Darlene Jackson**. As alleged in the complaint, the Defendants submitted thousands of false or fraudulent claims to Medicaid for non-emergency transportation and adult day health services that did not occur, and falsified thousands of records that Miracle submitted to the United States to cover up their false claims, resulting in more than \$1 million in improper payments being made by Medicaid to the Defendants.
- The United States recently announced a civil settlement totaling \$4.1 million with **Effingham Health System**, based out of Effingham County, Georgia, to resolve allegations of opioid diversion.

“Health care fraud is a betrayal of vulnerable patients, and often it is theft from the taxpayer,” said Attorney General Sessions. “In many cases, doctors, nurses, and pharmacists take advantage of people suffering from drug addiction in order to line their pockets. These are despicable crimes. That’s why this Department of Justice has taken historic new steps to go after fraudsters, including hiring more prosecutors and leveraging the power of data analytics. Today the Department of Justice is announcing the largest health care fraud enforcement action in American history. This is the most fraud, the most defendants, and the most doctors ever charged in a single operation—and we have evidence that our ongoing work has stopped or prevented billions of dollars’ worth of fraud. I want to thank our fabulous partners with the FBI, DEA, our Health Care Fraud task forces, HHS, the Defense Criminal Investigative Service, IRS Criminal Investigation, Medicare, and especially the more than 1,000 federal, state, local, and tribal law enforcement officers from across America who made this possible. By every measure we are more effective at finding and prosecuting medical fraud than ever.”

United States Attorney Bobby L. Christine said, “By working together with our professional and dedicated partners in law enforcement, this Office just executed the largest health care fraud takedown in the history of the Southern District of Georgia. Make no mistake: if you are a physician who thinks they are above the law, a provider who thinks they can take advantage of federally-funded

health care programs, a beneficiary who defrauds the very programs focused on providing assistance to millions, or anyone who thinks they can divert dangerous narcotics, you can expect to be hearing from us.”

“Fraud perpetrated against the Medicaid program harms every citizen of Georgia,” said Georgia Attorney General Chris Carr. “We are committed to eliminating activity that drives up the costs of providing healthcare, and through the actions of the Medicaid Fraud Control Unit, we will continue to pursue both criminal and civil enforcement to further this objective. Combining our resources with those of our valuable federal partners is a powerful tool in the ongoing fight to protect our government funded programs.”

“Health care fraud costs taxpayers billions of dollars and places our most vulnerable citizens at risk for harm and neglect,” said Derrick L. Jackson, Special Agent in Charge for the U.S. Department of Health & Human Services Office of Inspector General. “Working with our law enforcement partners, we are dedicated to protecting patients and the federal health care programs intended to serve them.”

“Every tax paying citizen, especially those who use federally subsidized programs like Medicare, is a victim when providers are driven by personal greed,” said J.C. Hacker, Acting Special Agent in Charge (A/SAC) of the FBI Atlanta field office. “Improper billing inflates costs and causes unnecessary waste, and the FBI and its law enforcement partners are dedicated to weed out such abuse and hold those responsible accountable.”

“The 2018 National Health Care Fraud Takedown effort demonstrates that the Defense Criminal Investigative Service and our investigative partners are committed to protecting TRICARE, the U.S. military health care program from fraud and abuse,” said John F. Khin, Special Agent in Charge, Defense Criminal Investigative Service-Southeast Field Office (DCIS). “As part of this nationwide joint operation, the DCIS Southeast Field Office contributed significant resources and efforts to achieve a successful resolution, while taking effective steps to combat widespread health care fraud and preserve the integrity of this vital Department of Defense (DoD) program.”

Robert J. Murphy, the Special Agent in Charge of the DEA’s Atlanta Field Division stated, “The dispensing of addictive prescription pain medication under the guise of a licensed medical professional’s care is not about the good of the community or an individual’s specific health needs; it is about the greed of those involved in fraudulent schemes and illegal overprescribing. DEA and its law enforcement partners will continue to expend its time, energy, and resources in an effort to stem the tide against the growing opioid epidemic. The spirited level of law enforcement cooperation and the prosecution by the U.S. Attorney’s Office made this investigation a success.”

“The U.S. Department of Labor, Office of Inspector General, aggressively investigates fraud against the Federal Employees’ Compensation Act program and will continue to work with our law enforcement partners to combat fraud against all Department of Labor’s benefits programs,” said Labor Inspector General Scott S. Dahl.

“We often find that people who try to defraud Social Security are also taking advantage of other government benefit programs,” said Social Security Acting Inspector General Gale Stallworth Stone. “That’s why we maintain strong partnerships with other Federal, State, and local agencies, because our responsibility to taxpayers doesn’t end at Social Security. SSA OIG will continue to work closely with our law enforcement partners to detect and prevent benefit fraud across the country.”

“Working with the Department and Federal Motor Carrier Safety Administration to prevent and detect fraudulent activities by medical professionals in the motor carrier industry is a top priority for

our office and demonstrates our commitment to ensuring the safety of the traveling public on our Nation's roadways," stated the U.S. Department of Transportation Office of Inspector General.

"We hope the prosecution of Evelyn Gay offers a strong deterrent to others contemplating stealing funds from the Legal Services Corporation ("LSC") that are intended to provide much needed legal services to an underprivileged population," said Jeffrey E. Schanz, Inspector General of the LSC, Office of Inspector General. "We appreciate the leadership offered by the U.S Attorney's Office for the Southern District of Georgia in prosecuting individuals who steal funds meant to serve the civil legal needs of the poor in our country."

"Today's fine work by the Department of Justice, OPM OIG criminal investigators, and our other law enforcement partners demonstrates our office's commitment to combatting fraud and abuse in the Federal Employees Health Benefits Program," said Norbert E. Vint, Acting Office of Personnel Management Inspector General (OPM-OIG). "We will continue to aggressively investigate and prosecute all individuals who seek to steal taxpayer dollars and drive up health care costs for federal employees and their families."

"Much like law enforcement, medical personnel should be held to a higher standard," said Everett Ragan, director, Chatham-Savannah Counter Narcotics Team (CNT). "Doctor Frank Bynes and Medical Assistant Kristian Hall chose to dishonor their medical oaths and in doing so, committed criminal acts. Their job is to be here to help our community; not hurt it."

The cases announced today were investigated by special agents, task force officers, and diversion investigations from HHS-OIG, FBI, DCIS, DEA, DOL-OIG, DHS-OIG, DOT-OIG, LSC-OIG, and OPM-OIG; Investigator Kimberly Reinken-Creamer of the United States Attorney's Office, Southern District of Georgia; and; Investigative Auditor Denise Colson and Investigator Kevin White, Georgia Attorney General's Office.

The United States was represented by Assistant United States Attorneys J. Thomas Clarkson, Nancy Greenwood, Matthew A. Josephson, Karl Knoche, Bradford Patrick, and Jonathan Porter. The State of Georgia was represented by Assistant Attorney General James Mooney. For additional information, please call the United States Attorney's Office at (912) 652- 4422.

A complaint, information or indictment is merely an allegation, and all defendants are presumed innocent unless and until proven guilty. The claims resolved by civil settlements are allegations only; there has been no determination of liability. Investigations remain ongoing as to others arising out of these announced actions.

Additional documents related to this announcement will shortly be available here:

<https://www.justice.gov/opa/documents-and-resources-june-28-2018>.

Several of these investigations remain ongoing. If you have any information regarding any of the prosecutions announced today or any other information regarding possible health care fraud, please contact the U.S. Attorney's Office at (912) 652-4422.